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REMARKS

Secretary of State Condoleezza Rice
At the Council on Foreign Relations

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MODERATOR: Well, good evening, and welcome to the Council on Foreign Relations. And welcome to this year's International Affairs Fellows Conference, or IAF, as you will be hearing. Every year, this event gives us a chance to take stock of the remarkable work being done by IAFs. And essentially, it's a two-way program. Those in academia, or the private sector, get to spend a year in government and experience -- where adjectives fail me at the moment; those in government get to work in a scholarly atmosphere, and to basically be away for a year from the inbox and the operational pressures. And the goal, actually, couldn't be more important. And it's to create a cadre of scholar-practitioners. People who may, while they have their basic orientation and indeed, their base, in one world, by getting a glimpse and a feel for the other when they then return, they're, in my experience, far, far better at what it is they do.

And this year the conference is particularly important for several reasons, first of which is the 40th anniversary of the IAF program. Program actually began in 1967. The first class of IAFs was in 1968, and included two gentlemen who went on to do some fairly good things -- one young scholar named Graham Allison, and another named Bob Cohen. So from the beginning, those involved in the process were pretty good talent scouts.

In the past 40 years, more than 450 individuals have received IAFs. And so when you think about it, this really is building up an extraordinary body of people who now have had the experience in both worlds and have moved in various directions. And they've been placed throughout the U.S. Government, and obviously in academic institutions. Many have gone on to extraordinary careers; many of them are going to be with us tonight, or are with us tonight, and will be with us tomorrow.

And we've also got here the new class, the 2008/2009 IAFs. And in recent years, we've gone slightly better in the sense that just over a decade ago, we added the IAF program for Japan, sponsored by Hitachi, and just this year, funding from E.L. Rothschild allowed us to add an IAF for India. And we're about to send our first fellow there. And one of my goals here is over the next few years, I'd like to see this replicated in other countries, and the idea that we'd ultimately have a half-dozen IAFs going to various important countries around the world, I think, would be a sensational addition to what's already a sensational program.

All of this didn't just happen. Like everything else in the world, it takes resources. In this case, in the beginning, it really took some people who were creative and then committed to this. Alton Frye, Tony Dunn, John Temple Swing. Both Tony and John are with us tonight. Without their vision, this program simply wouldn't have gotten -- would not have gotten off the ground. So thank you, sirs. (Applause.)

And not surprisingly, it's a highly competitive program. Every year, dozens of people want to partake of this experience, and that means we've got to have a selection process. And that means in order to have a selection process, we've got to have selectors. And we've had an awful lot of people spend many years on the board on this selection committee, and tonight we have several of them here. Linda Brady, Mac Destler

, Carl Green, Rich Smith, and Fred Tipson. So let me again welcome all of you to the council, and say thank you. (Applause.)

And the other kind of resource it takes is the old-fashioned kind, the financial kind, the kind we used to have a lot of in this city. And here, several foundations in particular have been extraordinarily helpful - the Rockefeller Brother's Fund, the Starr Foundation, the Ford Foundation, and again, without them, we would not have had this program. We certainly would not have had it on the scale that we can now celebrate.

The way we plan to celebrate it tonight could not be better, because we are honored to have a former IAF with us tonight. And not just your normal extraordinary IAF, but one who happens to be the Secretary of State, Condoleezza Rice. Condi, as people probably don't know, served the -- spent a year as an IAF about two decades ago, almost exactly -- sorry to point this out. (Laughter.) Oh, and that was classified, I apologize. Darn. She served it in the five-sided building down in Washington, and there she was Special Assistant to the Director of the Joint Chiefs. Is that correct? And she worked, among other things, on a project dealing with, sort of, going down to zero nukes, if I remember; an issue which, shall we say, is very much back in circulation today. And when Condi has talked about this program, she has described it as one of the best experiences of her life, which is nice to hear. She is, in a sense, the ultimate scholar-practitioner.

Let me say one or two personal things. She is a dear and long-standing friend. I was going to say old friend, but this could be easily misunderstood. That was supposed to get a little joke. Get a laugh. (Laughter.) As usual, it's hard to predict. We worked closely together during two administrations. First, the Administration of the 41st president, when we were both young tykes on the National Security Council staff, and more recently we worked in the administration of the current president. At that time then, Condi Rice, before she was Secretary of State, was still the National Security Advisor, and I was at the State Department.

So Madame Secretary, it is great to have you back at an organization that knows you well and you know well. And now, what I'd like to do besides asking those of you who have your cell phones on to please turn them off, (laughter) is turn things over to our Vice Chairman, a person who I am fortunate enough to partner with in this institution day in, day out, Rick Salomon. (Applause.)

MR. SALOMON: Thank you, Richard. Before I begin, let me echo what Richard has said about John Swing and Tony Dunn. Talk about old friends. John, you and I worked at the Council, I think, back in the early 70's, in the Bayless Manning days, and I remember that very well. And Tony, you and I have been friends since 2nd grade. So we owe you a lot. These are two fine men who've done a terrific job with the Council, and we thank you for all that you've done for this fine program.

Richard mentioned cell phones - please turn them off. Vibrate, quiet is not enough, because we don't want to have an interference with the sound system. I also want to remind you that this meeting is on the record. Participants around the nation and the world are viewing the meeting live via web cast on the Council's website, Cfr.org.

We are delighted to have with us today Secretary of State Condoleezza Rice, who will be the keynote speaker for our IAF conference. Secretary Rice's professional accomplishments are extensive and well known, so I will be brief in my introduction. As Richard mentioned, Secretary Rice was Secretary of State for the Bush Administration during his second term, and served as National Security Advisor for the first term. Prior to that, she was Provost of Stanford University, where she served for six years as the institution's chief budget and academic officer. She has been, since 1981, a Professor of Political Science at Stanford, and received there two of the institution's highest awards for the quality of her teaching. She has been the author of many books on international relations, especially about the Soviet Union. She has served on the boards of many corporate and non-profit institutions, many of the finest institutions in the country. And, as Richard mentioned, in 1986, she was an IAF fellow at the Council.

In addition to these professional achievements, Secretary Rice has personal interests that are accomplished and wide-ranging. She was an outstanding competitive figure skater, she speaks Russian, she can talk

football and, as I just learned, basketball, with the best of us, and she's an accomplished pianist. Let me read you two quotes that derive from those later two areas of interest, football and music.

In comparing football to war, Secretary Rice has noted quote, "it's about taking territory. That's really what it is. And to take territory, and to continue taking territory, you eventually end up with a conquest, which is the touchdown. It's very strategic in the way warfare once was. I mean, warfare is less like that now." And then a second quote from Mike Reynolds, who is a fellow musician, referring to playing a Brahms piece, quote, he says, "Condi tends to be very conservative by nature, but musically she's incredibly liberal. She's very creatively open. She takes big chances musically. Some pianists take that extra little millisecond of time to make sure they hit every note, but she just goes for it because the music demands it. Therefore, she doesn't hit every note perfectly, but it allows the desperation of the music to come out, which is what the music wants to have happen." (Laughter.) There are thoughts and insights here that would be interesting to explore if time allowed.

Permit me then to reiterate Richard Haass' welcome to all of you and to say how honored we are to have with us Secretary of State Condoleezza Rice.

(Applause.)

SECRETARY RICE: Thank you very much, and it is indeed good to be here at the Council among so many friends of long standing. I'd first like to thank Richard for that wonderful introduction. The reason that I play with such desperation is I don't practice enough. (Laughter.) When I practiced a lot more I used to hit the right notes more often.

I'd also like to thank my good friend and your President, Richard Haass. We have indeed been friends for many, many years, going back to times when we were younger, and when I think we thought that the horizons were endless. As you get older, you realize that the horizons were once endless and now they're becoming somewhat finite. And when that's the case, it's a really good thing to have friends who remember that long journey with you. And so Richard, it's great to be here with you.

I am really delighted that John Temple Swing and Tony Dunn are here, because as Richard mentioned, I was indeed an international affairs fellow, and those two gentlemen were probably two of the most important reasons that I indeed was an IAF. And it is a superb program.

I want to congratulate the new class of IAFs. I want to congratulate all of you who are part of this club. It's an extraordinary idea, when you think about it, that people should be able to go back and forth and go back -- go both ways. It is indeed something that is not uniquely, but almost uniquely American, that we have such a great back and forth between our academic institutions and our institutions of government. And I believe very strongly, as someone who came out of an academic institution as an IAF, and then came back to the University, went back into government, came back to the University and now back in government, that you're served well by that back and forth. Because when you are in government, as Henry Kissinger once famously said, you are essentially spending capital that -- intellectual capital that you have developed while you were out, because there's very little time to develop new intellectual capital. You have to spend what you have. The opportunity to go back then, and to reflect and to work on large issues and, perhaps, to encounter undergraduates and graduate students in teaching is really the work of not only helping to lead them, but also refining your thinking and refining your thoughts in your mind and perhaps getting enough capital to practice again. So I think the IAF is built on that premise, and it works extremely well.

I was fortunate, in particular, because I did serve in the Joint Chiefs of Staff. I decided to, in a sense, take the plunge and not to go to a more traditional IAF role with the National Security Council or the State Department or even in the office of the Secretary of Defense, but rather to serve on a military staff. I served at the 05, or lieutenant colonel level and worked every day in a Pentagon office that had no windows on the bottom floor, with four other officers. And it was indeed one of the best, best experiences of my life. And one of those officers, who was literally right across the hall and with whom I worked a great deal, a

young Lieutenant Colonel by the name of Michael Hayden, now the Director of the CIA. And that, too, is great because it shows the relationships that you develop over the years in the work like that.

So for the IAFs who are about to enter this program, it's going to be an exceptional experience. I have only one piece of advice, which is that if you are going to an academic environment, try and really be in an academic environment. And that means having the time to think about big thoughts, to think about theoretical thoughts, to think analytically; not to be drawn into just trying to learn or to improve the practical, but rather to have a chance to enlarge the range and the possibility of what is possible. And if you are going into government, I would say to academics, leave your academic side behind. Don't try to study them when you're working with them, (laughter) but rather try to be one of them for a while. Take on whatever work is needed. Do it as if you were a part of the team. You'll have plenty of time when you go back to reflect. But the best way to use an IAF if you're coming from an academic environment is to really get in, roll up your sleeves, and do the work. So congratulations to the IAFs and it's great to have you part of the club.

In reflecting on what I would talk about tonight, I am very cognizant of the fact that I am, of course, an academic, and therefore my tendency is to go on in 50-minute increments without interruption before hopelessly captive audiences who, after all, are dependent on me for a grade. That is not true of any of you, and therefore I am going to tame the instinct to give a long speech, and rather, just make a few remarks, and then I think we'll go to a Q and A session that will allow us to have a chance to really exchange ideas.

But as I was thinking about what those few remarks might be, I wanted to answer a couple of questions that I'm asked all the time. And those questions go something like this:

"Well, is there anything that has surprised you about this job," or "What would you think differently about what you were going to do if you were able to go back and start over again," or "Do you have different ideas now about what is required for American foreign policy?" Translation: if you had a chance to do this all over again, would you do it this way, or wouldn't you do something else? Haven't you made lots of mistakes and wouldn't you correct them the next time? That's the translation of all of those questions.

Well, I thought that I would take the track of doing the following, which is to say yes, there have been surprises. There have been some things that have been constants that were fully expected, and I'd like to talk to you briefly about a few of those, the continuity and the change in American foreign policy over the last several years, because when one experiences an event like September 11th, as our country did, a seminal event of that kind, a kind of earthquake in foreign policy, it's not surprising that it has an enormous effect on your strategic outlook, on the way that you think about things. And I can tell you that if you were in a position of authority on September 11th, then every day since has been September 12th. And you have tried ever since then to think about strategies and means by which it won't happen again.

Nonetheless, even with a strategic earthquake like September 11th or before it, Pearl Harbor, there are elements of continuity in American foreign policy, and some things that were fully expected and that I think we've tried to deliver on. For instance, coming in, I think that everybody understood that it would important to have workable relationships with the great powers, the big powers in international politics - China, Russia, the newly emerging powers like India and South Africa and Brazil. Important not just because one wants to have fruitful and constructive relations with important powers, but fruitful and constructive relations that can be put to use in carrying out the work of diplomacy and therefore solving international problems. It goes without saying that it is not really feasible to solve many of the problems of international politics through diplomacy if you cannot find, at least, a common interest and common cause with countries like China and Russia, even if you are not doing so from the basis of common values. And having constructive relations with those two giant powers, both members of the Security Council, has been an important part of what we have tried to do.

They are, of course, somewhat different. I think that in many ways the -- managing the relationship with Russia has been one of finding common cause on many, many issues, while recognizing that in a complex relationship, there are going to be many differences. And doing so, frankly, in an atmosphere in which, perhaps, there is some -- has been some disappointment that we have not been able to move closer to the

common values with Russia that one would have thought possible in 2000. In fact, it is the internal development of Russia away from a more democratic course that has been, in some ways, the hardest part of managing the relationship.

Nonetheless, we have been able to do important things together in nuclear nonproliferation, in working together on Iran, in working together on North Korea, in working together on the Middle East in ways that I think would have been unthinkable at the time of the Soviet Union. And so one of the most important things to remind ourselves of almost every day is that however complex the relationship may be with Russia, however difficult sometimes, however difficult Moscow can make it with rhetoric that is, shall I say, outsized, it is nonetheless a relationship that is quite unalike our relationship with the Soviet Union. Russia is not the Soviet Union, and reminding ourselves that the scope for cooperation with Russia is far wider and far greater than anything that we ever experienced with the Soviet Union is important to having a solid relationship with Russia going forward. This is embodied in a Strategic Framework Agreement that Presidents Bush and Putin signed at Sochi, which, I think, shows the breadth of our relationship with Russia.

The relationship with China, of course, is one of -- with an emerging power, in China, a developing country that has many aspects that make it appear to be developed, while recognizing that the character of this country is one that is developing. The Chinese will tell you, for instance, that in order just to keep pace with their burgeoning population, they have to have 25 million new jobs every year. This is a country that is experiencing extremely rapid growth but from a very low base, and still with a very -- a very poor population. And yet, we found it important and useful to work with China and to try very hard to impress upon China the need for China to be a responsible stakeholder, as Bob Zoellick put it, a country that is able to see its interests as helping to manage the international system and its problems. And I think we've made some progress there, too. I would note that, particularly when it comes to the six-party talks on North Korea, China has emerged as an important and responsible player.

I could go on to talk about the relationship that we've developed with India, a large, emerging democracy; with Brazil, also a large, emerging democracy; and with South Africa, but perhaps we can get into that in discussion.

A second element of continuity has been to strengthen our alliances. In Asia, those alliances are stronger than ever with Japan, with South Korea. But I would like to focus for -- and Australia. But I would like to focus for one minute on the relationship with NATO, because that is a relationship that has been truly transformed.

Many of us who were old students or students of - I won't say old students - were students of the Soviet Union and Eastern Europe and really cut our teeth on the Cold War, remember that the NATO Alliance was, of course, victorious in the Cold War. And when NATO and the western values won out and the Soviet Union collapsed peacefully one December night in 1991, there were a lot of people who questioned whether NATO would even survive. After all, the Warsaw Pact was gone; after all, the Soviet Union was gone. What was the purpose for NATO?

Well, the remarkable thing is not only is NATO alive, but it is a fundamentally transformed organization for a couple of reasons. First and foremost, because now 12 of the 26+2, the 28 -- soon to be 28 members of NATO -- 12 of them are former captive nations. And they come to the alliance with a zeal and a love for democracy that can only be the case if you are still very close to your experience with tyranny. And they have changed the nature of the alliance, and they've changed its agenda. And they've kept at the forefront the values of the alliance.

The alliance is also different because it is taking on new challenges. It's most extraordinarily well out-of-area, as we used to talk about, as it takes on the efforts in Afghanistan, as it helps with planning in Darfur, as it helps with training of Iraqi officers, and as it builds global relationships with countries like Australia, Japan, South Korea. NATO is a very much-changed organization.

It's had its ups and downs. I know that there's been a lot of discussion about how it's doing in

Afghanistan. I think it's remarkable that it's in Afghanistan. And, of course, as it has been developing its capabilities, it is getting better at fighting the tough counter-insurgency fights that we see in these parts of the world; fights that blur the lines between war and peace, where very often, you're clearing an area and bringing in economic reconstruction at the same time. This is hard work. It's different than what we've done before. And so perhaps it's not surprising that NATO has had to adjust to this.

It is also an alliance that has suffered from the fact that many European armies, European militaries took the peace dividend very deeply, and as a result cut their defense budgets, cut their capability, and NATO is now trying to rebuild some of that capability.

So those are some of the constants. Well, what are some of the pieces that perhaps we didn't expect? Yes, we expected to get the big relationships right and to build and strengthen alliances, and to manage crises from day to day and, perhaps, even to be fortunate enough to resolve some. But I never thought that I would spend as much time as I do thinking about the fate of failed states, and trying to resurrect failed states, trying to resurrect states that were coming out of sustained conflict and trying to use all of the tools of our -- of the nation, whether it is foreign assistance or military training, or public diplomacy, whether -- whatever the elements, to use those elements to try and help build well-governed democratic states where states were failing.

The cases of Iraq and Afghanistan are well known to everybody in this audience, but it's been more than that. It's been Liberia, for instance, where we ended a civil war and now work with a good, democratic government in Liberia, but a government that would admit, if Ellen Johnson were standing here, that Liberia has virtually no capacity for governing.

The need to build in Haiti, the need to build even in stable states in Africa and in Latin America and in Asia, where the capacity to govern is really challenged - this has become the work of diplomacy in the 21st century. And so it is not just about reporting on what states are doing. It is not a matter of just talking to foreign ministries. It is really a matter of going out among the people and helping them to build the institutions of governance, the institutions of stability, and therefore, preventing failed states. Because states that cannot govern themselves, states that don't have capacity, are the states that cannot be responsible sovereigns. They are the states that are not capable of keeping their -- delivering prosperity for their people. They are the states that are not capable of defending their borders from terrorists. They are the states that are not capable of defending their borders from arms runners or drug traffickers, and they are, therefore, a threat to international peace and security.

State building, therefore, has become a very important element of our foreign policy. And I famously said in an article in 2000 in *Foreign Affairs*, that perhaps it wasn't a good idea for the 82nd Airborne to take school kids up to -- to cross -- to be school crossing guards and take school kids to school. I still think that's right, (laughter) but somebody's got to do it. And what we are learning is that the weakness of civilian institutions to do the business of state building is one of the true lacuna, one of the true holes, in our national capacity. To be frank, we tried in the Balkan Wars to have the United Nations do that role, and it was not fully successful.

In Afghanistan, it was, frankly, adopt-a-Ministry. Many different countries adopted different ministries as a part of the bond process, and while it was important in drawing in national capacity and international support, we are living with some of the incoherents of that effort today in Afghanistan.

In Iraq, we tried giving it to one department - the Department of Defense. And it turns out they weren't really ready to do that, either. And so now we've got a new idea. And the building of the Civilian Response Core, which has the - within the United States Government, specialists from different disciplines who can go and help with police training or help with justice systems or help with agriculture - is an important innovation. But we're going to go beyond that. There will also be a true Civilian Response Core, a kind of analogue, if you will, to the National Guard and Reserve, of civilians who would be able to, whether they are city planners or perhaps a justice from the State of Arizona that wishes to go and help the Liberian people build their justice system, to mobilize the American people in that cause. And so we have learned that this is an important function, and we're trying to adapt our institutions to it.

Finally, I'll say that we've learned the importance of being and advocating for, in an active way, democracy. And it's on this point that I'd like to end.

A lot has been said about the democracy agenda, the freedom agenda, what -- how goes it? How can we evaluate it at this point in time? You will remember then, in the 2nd inaugural, the President talked about ending tyranny. But he didn't talk about ending tyranny tomorrow. He talked about this as a generational requirement, something that generations would work toward. But what that speech did and was intended to do was to say that for the United States, there can be no contradiction between our national interest and our national values. That whether or not, and there sometimes are, there are short-term contradictions and tensions between strategic interest and our values, we can never see them as intentioned in the long run. In other words, the United States cannot be neutral about what kinds of systems countries should have.

And, indeed, that has been the democracy agenda. It has come to the fore because, as we have seen, particularly in the Middle East, the absence of freedom, the absence of democracy, leads to a kind of freedom gap, and something will fill it. When there is an authoritarian regime that does not permit the development of healthy politics, politics will develop. But it will develop in radical mosques and in madrassas. And that is what we have seen in much of the Middle East.

Now, the democracy agenda, I think I could argue, was at least a part of our foreign policy in almost every area of the world. But, frankly, the Middle East was considered to be something of an exception. We talked about stability, not about democracy. And I know that there is sometimes the sense that perhaps we disturbed the stability of the Middle East by introducing this theme of democracy, but I would submit to you that it wasn't a very stable place to begin with, and we could list the list of horrors of Saddam Hussein, or of Syrian occupation of Lebanon, or on and on.

But most importantly, it was not stable because, underneath, there was this growing extremism, a response to the absence of legitimate politics. And it had to be dealt with. We can talk more about the ways in which we have dealt with it, but that it will be on the agenda for a long time to come I think is self-evident, and that the United States is probably the only country that can fully lead this agenda is also, to me, self-evident.

And there, I would like to close, because the one thing that concerns me about this current state of affairs, and as we will soon leave office, is that America must maintain its confidence in its ability to lead in this agenda and in others. In order to do that, the United States has got to be confident about the development of its own democracy. The United States has to be confident that its educational system is training its children and its people to be competitive in a globally competitive world, or we will turn inward and protectionist. America has to be confident that we can continue to welcome people of all backgrounds, of all faiths, of all colors, or we will turn inward. And if America turns inward, it will be less innovative, less creative, and it will not lead.

That, it seems to me, is perhaps the highest national security priority among many, is to establish firmly, once and for all, that the United States of America is confident in itself, confident in its capabilities, and, most importantly, confident in the extraordinary power of its values. Thank you very much.

MODERATOR: Well, thank you for those comments, Secretary Rice. That was a very interesting presentation. You have written two articles in *Foreign Affairs*, as you mentioned, one in 2000 and one in 2008. I commend them both to all of you. They really are a fascinating tracing of the evolution of foreign policy over the past eight years.
The first article is entitled, "Promoting a National Interest in 2000," and then, "Rethinking the National Interest." And I think you gave us a very good sense of what has changed during the course of the eight years to prompt the rethinking that you describe.

But let me ask you a question about the peacekeeping function. I have a brother-in-law who returned recently as a colonel in the Marine Corps, where he is in charge of 1,500 Marines in Fallujah. And he describes the experiences both of a military sort -- which were difficult; they lost a number of his men --

but he also describes a civilian role, because they made a lot of progress, he and his soldiers, his Marines, in working with local people. I think, if you were to ask him, he would find it very difficult to separate the military and the civilian function.

How is that going to work, from the standpoint -- I mean, these people, while they were working with local people on civilian-type projects, were getting shot at.

SECRETARY RICE: Yes. Well, that's exactly the point about the counter-insurgency, or counter-terrorism fight. It is -- we used to think of war and peace. Really, it's a continuum. And, very often, you find that you are trying to deliver, or help the locals to deliver, services and governance in an environment that is still not secure. The best circumstance is when you can clear an area, and then bring in, perhaps, police forces to hold an area so bad guys don't come back, and then engage in reconstruction and governance. But, more often, it ebbs and flows.

One of the innovations that we have had in order to deal with that is that we now actually have joint civilian-military teams. They are called "provincial reconstruction teams." They are operating both in Afghanistan and in Iraq. And I have diplomats and USAID officers, and sometimes from other agencies, out, literally, with the brigade command, and literally, reporting to that commander in the field, so that they can work in an integrated way, because they value the skills of civilians, but the civilians need both the protection and the integration with the military. So I think you will see more of that throughout our time.

MODERATOR: Yes, yes. In your article in the *Foreign Affairs* of 2000, you were talking about the U.S. intervention in Kosovo, and you wrote that in a conflict, "there must be a political game plan that will permit the withdrawal of our forces."

Do you believe that this advice was followed in the preparation before the invasion of Iraq?

SECRETARY RICE: Well, we certainly thought it was being followed. And I still think that we will get there. But Iraq is a very, very complicated environment.

We're still in Kosovo. Kosovo just became independent. We recognize Kosovo. But KFOR is still there. And it probably is going to be there a while, because the institutions that need to be built in Kosovo are lagging, frankly, very far behind the needs of the Kosovars to govern themselves.

In Iraq you had an even much more complex situation, because there I can tell you that when we planned the post-conflict operations, the idea was that you would be able to take, essentially the head, the Saddamists from the head and you would have a civil -- a set of civil institutions, a civil service, essentially, that would be in place to run the country.

And, instead, everything collapsed. Ministries collapsed. I can remember asking, two days after Saddam Hussein had -- the statue had come down, "Where are the oil workers?" Because everything was sort of melted into the -- it showed the real weakness of the fabric of that. And it was, frankly, underestimated, underestimated by all of us.

And so, if you look at a place like Afghanistan, where 30 years of the absence of political institutions, you're not reconstructing the country, you're constructing the country. And so, some patience is necessary to go about this work. But we have done it before, and we know that these institutions can come into being, and they can take hold.

MODERATOR: The -- let me ask you just one or two more questions, and then we will turn to the audience for questions.

Also in that 2000 article you say that we knew better where we had been than where we were going. And I get a sense, from both your comments today and from the 2008 article, that we definitely have rethought our national interests, and we have a better sense of where we are going.

Where are we going? Are we, in Fareed Zakaria's term, sort of entering the post-American era? Have we gone, in Richard's concept, to a -- from a uni-polar world to a non-polar world?

SECRETARY RICE: Well, far be it from me to disagree with Richard or with Fareed. They are both good friends.

MODERATOR: We do it all the time.

SECRETARY RICE: Look, first of all, we went through a long interregnum after the Cold War. We called it the post-Cold War world. We weren't quite sure what the threats were; we, therefore, didn't know what the responses were. Yes, there was the Balkans, but that seemed to be kind of the end of the European reconstruction, this sort of unfinished business, if you will, of Europe at the end of the Cold War. There were the conflicts in Africa here and there, but none of it seemed to be strategically central or threatening.

And I do believe that what happened on September 11th is that a long string, then, of the build-up of terrorism -- which my friend, George Shultz, dates really to the bombings in Lebanon in '82, '83, the bombings against our troops and against our embassy -- we now see that there was building this extremist element, and getting stronger, and becoming more institutionalized, and that it was going to be a real challenge to us.

And so, I think we're seeing a period in which we will be, for some time, trying to unravel this extremism. We will do it, in some cases, with military force. We will do it, in some cases, with intelligence. And we will, in some cases, hopefully do it by "winning hearts and minds," rather than through kinetic means. When we're trying to win hearts and minds, I am quite certain that we will be doing it by trying to help governments provide for their people, and help them become democratic, because that's the best way, ultimately, they're going to provide for their people. So, I think we now know that that's where we're going.

Now, what will be the role of the United States in that? Is it uni-polar? Is it non-polar? Is it a different -- somebody else's century? I don't think it's somebody else's century. The one thing that I am continually struck by in this job is the degree to which everybody believes that the United States has to take the leading role, often in things where we don't actually believe we ought to take a leading role.

One of the hardest parts of my job is to say, "You know, really, you could probably solve that without us," or, "Call me when you need my help," to another foreign minister. And sometimes people really step up. What is interesting to me is when they do, we very often get, "Well, the United States was sidelined."

Let me give you an example: the recent Doha agreement in Lebanon. Not only is it very much like the Taif agreement -- which, by the way, was Saudi Arabia without U.S. help -- but -- in '89 -- but it was through active U.S. diplomacy that the Arab League took the lead in solving the Lebanon crisis. We met in France with the friends of Lebanon: France, Great Britain, and the responsible Arab States, like Saudi Arabia and the UAE, and Egypt, and Jordan, and Amr Moussa of the Arab League. And they had an initiative, and we backed their initiative. And it worked.

And so, when you sometimes see that Lebanon has been -- the crisis in Lebanon has been resolved by someone else, don't assume that it's because the United States was pushed to the sidelines. Assume that the United States thinks it's a good idea if sometimes somebody else takes the lead.

MODERATOR: Let me ask you just one more question. In the context of supporting and promoting democracy, you mentioned in your talk how that value has been an important part of our re-thought national interest. And you mentioned that, in the Middle East, that has been a more difficult task.

Yet there is a country in the Middle East that is a functioning democracy, and that is Turkey. Turkey is a key ally of the United States, and it is one of the very few functioning democracies in the Middle East.

And yet, it seems to be drifting inexorably towards crisis. Now, the governing party there has been far from exemplary; which there's certainly things we might wish that they had done differently.

But what can we do, or what can some other countries do to make sure that we don't lose democracy in a very important country?

SECRETARY RICE: Well, first of all, we have had excellent relations with the AK Party. Excellent. My colleague, Abdullah Gul, who was my foreign minister colleague and now is the president of Turkey, and my current colleague, Ali Babacan - we have had excellent relations with them on the Middle East, excellent relations on Iraq. They have actually been one of Iraq's more supportive neighbors. Afghanistan, when I get together with Ali Babacan, we go through the global agenda, because they have become a really global partner, and they are obviously a NATO ally.

And so, I also believe that the agenda for democratization that the AK Party has undertaken has been good for Turkey. They have reached out to people who are different -- Kurds, for instance -- and got a large amount of the Kurdish vote in the last election. They have reached out to the poor and rural in Turkey in ways that were not done before. They have reached out to religious people. And I think the secular democracy in Turkey is important, but it is also important that religious people are a part of the country. And so, we have very good relations with them.

Now, what can we do? I think we have to continue to support the democratic institutions of Turkey. Obviously, we are not going to get involved in the current crisis or the current controversy in Turkey about the court case, that's a matter for Turkey to resolve. But I do think that we need to continue to speak up for reform in Turkey, for democracy in Turkey, for secular democracy in Turkey. The people who could do the most are the Europeans. Because, frankly, if Turkey is not given a fair chance to accede to the European Union, we will all pay. Europe will pay, the United States will pay. We cannot have a dividing line at Turkey.

You are right. Sometimes, when I am asked what might democracy look like in the Middle East, I think it might look like Turkey. And so, the Europeans -- and I understand that it's hard, but the European Union-- the prospect of European Union accession has been extremely important to reform in Turkey. And without that prospect, it is going to be hard to continue.

MODERATOR: Thank you. Let me turn to the audience now for questions. So let me just -- following the ground rules, I'll call on you, then please wait for a microphone and speak directly into it. If you would stand, state your name and affiliation, and then please also limit yourself to one question. There will be many people who want to ask, and we want to get as many as we can. And keep your questions concise, if you would, please.

QUESTION: John Brademas, New York University, and, Madame Secretary, your representative in Congress when you were a student at Notre Dame.

SECRETARY RICE: Yes, I remember.

QUESTION: I have just come back from China, because NYU is opening a campus in Shanghai. My question -- although I'm tempted to go into it with you on Turkey, but that's another issue -- is what prospects do you see for the development of genuinely democratic institutions in China, and what role can the United States play in encouraging such developments?

SECRETARY RICE: Thank you.

QUESTION: And that was a brilliant talk you gave, by the way.

SECRETARY RICE: Well, thank you very much, John. We have been old friends for a while, so thank you very much.

China is clearly going through a major transition, in terms of its economic life. Everybody sees that. I think the question is whether or not this kind of economic growth, activity, creativity, innovation that we're starting to see in China can continue to exist in a political system that is hierarchical and rigid. And I, frankly, don't think that it can.

I am a firm believer that, in the long run -- maybe not in the short one, but in the long run it's not going to be possible to recognize your people's talents and not recognize their rights. Eventually, with the growth of middle class and the growth of people with property rights, and all of the things that are starting to happen in China, there will be a desire to be able to access and to be able to petition the government.

We see, in small snippets, some of this, for instance, in the quite remarkable response to the earthquake, which showed that China is developing something of a civil society, as groups sprung up to try to help: from volunteers, local people trying to volunteer, national volunteers on behalf of earthquake victims. We saw the insistence that local officials be held responsible for what might have been problems that the earthquake exposed. And I think, frankly, you're going to see more of that.

Now, I don't think it will be rapid in China, and it may be that China will, because it is China, it may be *sui generis* in the way that it gets there. But it's hard for me to see how you can, from the top down, govern 1.3 billion people who are becoming more capable, becoming more worldly, becoming more integrated into the international community, from the top down.

MODERATOR: Lou?

QUESTION: My name is Lou Gerstner. I am a retired computer salesman. And, Condi, we also have a Notre Dame connection, although it was very brief.

I want to go back and to your retrospective kind of comments earlier. I was taken by the fact that the advice you gave the young -- young, I don't know whether they're young or not -- the new people, you said, "If you're going into academia, think big ideas. If you're going into the government, be great at execution."

And it seems to me that one of the things that is, in many respects, appallingly absent in the government is effective process. And you don't have an effective organization if you don't have effective processes. Processes are who do you select, how do you hire the best and the brightest, how do you pay them, how do you have the standards of accountability, how do you have standards of, "We only deal with facts and the right information?"

And so, you know, when you read books like Legacy of Ashes, and a whole bunch of books about the start of the war, you see appalling breakdowns in process. And so, my question to you is, as you look back, and if you think about this agenda that you would see going forward, how important is it that somehow we change organization, our ability to attract people, pay people, accountability?

Is any of that important? Or, is it - at the end of the day we have to live with this, what I would describe as a relatively -- a very inefficient process. That's the nicest word I can come up with.

SECRETARY RICE: Well, first of all, Lou, they are young, compared to us. All right? How is that?

So, when it comes to the execution in government, yes, it's hard. And I want to pick up on one point that you made about people. Yes, you have to worry about recruiting the right people. Yes, you have to worry about paying the right people. Yes, you have to worry about promoting the right people, all of which are not easy in what are fairly encrusted bureaucracies.

But I will tell you something. What is remarkable -- and I see it in the foreign service and the civil service, the people who are in the State Department -- is that you are drawing on something else. People who come into these jobs very often want to change the world. And if you can keep them focused on that 10 years into their careers like they were in the first year of their career, you're going to keep some of the best talent.

One of the problems is that sometimes we tend to wring it out of people by putting them into endless list of boring jobs, until they get to a point that we trust them with responsibility. And younger, brighter people leave before they get to that point. And so, yes, there are some problems in hiring and those things, but I don't think there is a problem of motivation. These are some of the most motivated people I have ever seen.

As to processes, look, it's really hard. Right? I ran -- I was the chief operating officer of a university. It is, frankly, a whole lot harder to plan how to deal with Iraq or Afghanistan. It's just harder. It's just harder. There are a lot more variables. You are dealing with a lot more complex set of circumstances. When you plan in Iraq that the civil service is going to hold together because you know that if totalitarian systems have anything, they generally have a civil service, and perhaps you can count on that civil service, and then it disappears, you have a problem. And maybe you could have predicted it. I really don't know how.

And you know what? If I look back across the whole range of history of trying to deal with really big problems, there is a lesson to be learned. And some of the darkest moments of the war on terrorism and Iraq and so forth -- my summer reading was the biographies of the founding fathers. And I read the biographies of George Washington and Alexander Hamilton and Thomas Jefferson, and so forth. And do you know what? When you read those biographies, you think, "How in the world did the United States of America ever come into existence?" You know, George Washington is losing a third of his forces to small pox, Alexander Hamilton and Thomas Jefferson are at each other's throats, Thomas Jefferson is spreading rumors that George Washington is senile, because he doesn't like the fact that Alexander Hamilton has his ear. How in the world did we come into being?

One of the things that I constantly think about is what it must have been like to go to work in the State Department in 1945, 1946, 1947, 1948, 1949, and 1950. You think we have challenges? Well, you win the war. And then, in 1946, the question isn't, "Is there going to be Communism in Eastern Europe?" The question is, "Does it matter that 48 percent -- the Communists just won 48 percent of the vote in Italy and 46 percent of the vote in France?" In 1947, 2 million Europeans are starving, and therefore, you get the Marshall Plan. But in 1948, Harry Truman decides to recognize Israel, touching off a conflict in the Middle East. In 1948, Joseph Stalin decides to divide Germany with Berlin. The Soviet Union takes out the last democratic state in the coup in Czechoslovakia. In 1949, the Soviet Union explodes a nuclear weapon 5 years ahead of schedule, the Chinese Communists win, and in 1950 the Korean War breaks out.

Now, would anybody have said that when I was lucky enough to be the Soviet specialist at the end of the Cold War, I was going to watch the peaceful collapse of the Soviet Union, the liberation of Eastern Europe, the unification of Germany, completely on Western terms, that Japan was going to become a great democratic anchor in Asia, and so was South Korea? I don't think so.

And so, when we look back on these great events, they look as if they must have planned them right, they must have done them right, they must have gotten it all right. The processes must have been perfect, and it came out just fine. And when you look back, you realize that whenever you're dealing with something of this complication and this difficulty, it's going to be hard.

I would be the first to say I am sure there are many, many things that we should have done differently and better. I surely wish that we had had an institution like a Civilian Response Corps for Afghanistan and for Iraq. We would have made far fewer mistakes. But the United States tends to learn a bit on the job. And I think some of the innovations that are now in place will make it somewhat easier for the next time around.

MODERATOR: It's something we certainly need to keep in mind. I mean, we -- September 11th really, as you say in your article, created the need to rethink the national interest. But the national interest has been rethought on a number of prior occasions, and it has weathered them well. Yes?

QUESTION: Good evening. Dina Powell, Goldman Sachs. Madame Secretary, I wanted –

SECRETARY RICE: And formerly of the Department of State.

QUESTION: Full disclosure. I wanted to talk to you a little bit about, you know, your passion behind transformational diplomacy. And I believe that a key element of transformational diplomacy is finding those agents of transformation around the world. And I think it, more and more, is widely viewed that the economic, political and social empowerment of women around the world will play a vital role. The Council has written a great deal about this, Isabel Coleman's work.

But I think what is so interesting is that it's not necessarily another one of these views imposed by the West, but in fact, prominent Arab scholars in the UN Arab Human Development Report cited the lack of participation of women as a key deficiency facing the Middle East. You have now President Zoellick citing this opportunity, at the bank , to focus on, the economic empowerment of women in development.

I am just curious, based on the initiatives you started at State, what do you think right now, the state of this issue, and where do you see it going in the next five years?

SECRETARY RICE: Thank you. One of the proudest possessions that I have is a T-shirt that the Kuwaiti women sent me when they got the right to vote. It said, "Half Of Democracy is No Democracy At All," and it's absolutely true.

If I could do one thing, and put one set of programs in place for the whole world, it would be about the empowerment of women, because when you empower women, you do empower whole societies. We know that when there are women-owned businesses, when women are able to get skills, they go back to their villages, their villages are therefore able to sustain themselves.

We know that women who, as women in the Middle East remind us, are not just raising girls, they're raising boys, too. And, of course, they are the wives and the sisters and the daughters of men. And so they have the effect on the whole society. And so the empowerment of women is very key.

I think there are three things that I am very -- we have been very focused on. One is women's education, and particularly girls' education. You know, there was a reason the Taliban outlawed women's education -- girls' education. And I have always thought, and it occurred to me once, that it's a lot -- the same reason that slaves were not allowed to learn to read. Because once you allow people to learn to read, or you educate them, then they have horizons beyond where they are, and you can't control them. And the Taliban's unwillingness to let women learn was one of the real reasons that Afghanistan has so far to go now.

So, girls' education, women's education, however you have to do it. I was in a madrassa in Indonesia -- madrassa, meaning just a school where little girls and little boys were studying side by side. And, frankly, guys, the little girls were like this, and the little boys were kind of like this, and it was very interesting. But training and education.

Secondly, I -- having women involved in their own -- in the politics of their societies, the institutions of their societies, getting them to run for office, getting them to organize, because they then become a foundation for civil society, and ultimately, for politics.

But you know, you have to protect them, too. I was at the UN today to do a session on sexual violence against women as a tool of war in conflict situations. And it's a huge problem. And in so many places, violence against women, the lack of access to the justice system, laws that are either discriminatory, or in some cases, actually punitive toward women -- I think women and justice, women in violence, this is an area that also has to be dealt with. And if you could do something about those three, I think you would see that societies would be far better, too.

MODERATOR: Sir?

QUESTION: Madame Secretary, I am Jay Gould, and I don't share Notre Dame with you, but nonetheless, I hope I will be heard.

All of us, as Americans, share your great confidence in the self-evident virtue of our institutions, and of our views as to how the national will should be expressed, and the good promoted. But how do we square that with a perception in so much of the world that the promotion of those values is simply a reflection of American exceptionalism, and a reflection of a conceit which is so widely resented around the world?

SECRETARY RICE: Yes. Well, thank you. Well, the first point I would make -- and you're right, I get that sense a lot -- and one of the first points I would make is that you actually don't have to impose democracy, you have to impose tyranny. And I have rarely met anyone, and I have rarely seen, no matter how minimally educated, no matter how poor, if you boil it down not to the great, huge institutions of democracy, or the formal institutions of democracy, but just, Do you want to have a say in who is going to govern you? Do you want to be able to educate your boys and your girls? Do you want to be able to speak your mind? Do you want to be able to worship freely? A surprising number of people who maybe can't even spell the word democracy would say yes.

And so, I think we have to fight back on the notion that somehow you have to be educated, or you have to be of a certain color, or a certain religion, or a certain nationality to want the simple blessings of liberty. That's the conceit. The conceit isn't for us to argue that every man, woman, and child wants to be free. The conceit is to argue that men, women, and children don't want to be free. And it's usually the conceit of those who want to control them, and those who want to continue in tyranny.

The second point is to be very clear that it hasn't been easy or self-evident in the United States. In our first Constitution, my ancestors were three-fifths of a man. What does that say about American democracy at its outset? I've said it's a great birth defect. And we have had to overcome a birth defect. And, like any birth defect, it continues to have an impact on us. It's why we have such a hard time talking about race, and dealing with race.

But, slowly but surely, sometimes by people pounding against the wall, sometimes by quiet work, sometimes by great leadership, more often by individuals who just refuse to accept the current circumstances, we have begun to work our way through it. And when I finish my term, there will not have been a white male secretary of state for 12 years in the United States.

So, it's -- the -- okay, so maybe next time around. But the humility to say, America is not only not perfect, but it is because of our imperfections that we believe in these values and in these institutions and these systems, that is what I have said to people around the world. And I think it's appreciated when you are willing to talk about those imperfections, and perhaps it gets us a little bit away from the sense that it is an American conceit.

MODERATOR: Time for one more question. On the aisle?

SECRETARY RICE: Ray Tanter.

QUESTION: Raymond Tanter.

SECRETARY RICE: Hi, Ray.

QUESTION: Hi, Secretary Rice. It's good to see you here.

SECRETARY RICE: Thank you.

MR. TANTER: University of Michigan and Georgetown University. Secretary, you have done, I think, an outstanding job of pulling together a coalition of countries in the international community concerning Iran. But it seems as if Washington think tanks, especially, are torn between what I would call the feckless, on one hand, with respect to diplomacy, and the reckless, Hezbollah camps and the like, on the other hand.

And it seems as if you're doing just fine on course of diplomacy with respect to the financial restrictions, but the Central Bank of Iran has not yet been targeted for sanctions. And we know for a fact that the

Central Bank is setting up private banks to get around the financial restrictions that have been imposed. And it seems as if, at some point, both State, Treasury, and the UN will have to sanction the Central Bank. If not now, when? If not you, who?

SECRETARY RICE: Well, thank you, Ray. And Ray used to call me Condi when he was doing tenure letters for me when I was a young professor. So, thanks, it's good to see you.

Iran is a very difficult problem. It's a dangerous state. But it's not without its vulnerabilities. And one of those vulnerabilities has to do with its economic performance, which is, frankly, woeful, whether it is the runaway inflation, or the fact that a country sitting on that kind of hydrocarbon wealth is still importing fuel. It is a place that we have chosen to exploit that set of vulnerabilities through financial measures.

The coalition of states draws on two sources of strength. One is that when we can do UN Security Council resolutions, it reminds the Iranians that it is not the United States or Great Britain or France, it is the international community. It's the world that is putting them into Chapter 7, which is a very bad place to be, you've got bad company in Chapter 7. And a proud nation like Iran doesn't much like being there. And it is, therefore, important to keep that track going.

But the financial sanctions through the Treasury 311's have had another effect, which is that by being very clear that Iran cannot use the international financial system for elicit gains, it has forced private entities -- banks, companies, and the like -- to be careful about their dealings with Iran, and to be wary about the reputational and investment risks of dealing with Iran. And that's the real value of those sanctions.

But we have to be careful. And my colleague, Hank Paulson, if he were here, would tell you that we don't do this just as a political matter. It would not be a good thing for the integrity of the international financial system if we just sanctioned on political grounds, rather than when we actually have evidence, or reason to believe that Iran is, indeed, using the international financial system with a bank that is carrying accounts for terrorism, or a bank that is carrying accounts for proliferation.

So, we are very careful to do our homework, to have the best evidence and information before we -- before Treasury makes the case for designation. And therefore, those cases for designation are really linked to international financial activity of Iran, not just to the fact that we would like to sanction some entity because it is Iranian.

Now, we have sanctioned the IRGC, the Revolutionary Guard, and the Quds Force. That has opened up different pathways, because when the IRGC or the Quds Force is doing business with somebody, or using accounts, that means that those entities are also in violation of those sanctions. So we do have to be very careful about how we do those.

I just want to close by saying that we have kept open this other path for Iran. I recently said, and I said in the *Foreign Affairs* article as well, the United States doesn't have any permanent enemies. We have permanent friends, but we don't have permanent enemies. And we always want to leave a pathway open for a country to have better relations with us, and better relations with the international system. And it's why the track of potential for negotiation, offering Iran a set of incentives if it will stop its enrichment and reprocessing, has been an important part of what we have been doing in the coalition that you talked about.

We have just made a new proposal to Iran. Javier Solana took it there. This time we published it, because we want the Iranian people to know that it is not true, as their government is claiming, that we would deny them civil nuclear power. They can have civil nuclear power. We supported the Russian Bushehr reactor for exactly that purpose. But they shouldn't have the fuel cycle, because they can't be trusted with enrichment and reprocessing, which can lead to a nuclear -- can give you the capability to make nuclear materials for a nuclear weapon.

So, my question has been not, why won't we talk to Tehran, but why doesn't Tehran want to talk to us? It's really a simple matter. Suspend that enrichment and reprocessing, even for a period of time. And I said

that I will meet my counterpart any place, anywhere, any time to talk about any thing. But so far, that invitation has not been taken up. Thank you.

MODERATOR: Thank you, Secretary. Before we end, let me make a couple of wrap-up comments. Breakfast tomorrow will begin at 8:00, followed at 8:30 by a panel of IAF alumni discussing foreign policy priorities for the next administration. Also, seven recent IAFs will report tomorrow on the work that they have completed during their fellowships. You can find the former and current IAFs in the crowd this evening by the red dots on their name tags. I hope you will get to know them tonight, and throughout the course of the day tomorrow.

Let me make two more comments. Tony, you did a great job in 1986, in picking a really outstanding international affairs fellow.

And secondly, Secretary Rice, thank you so much. It was a really wonderful presentation, very candid, very comprehensive.

SECRETARY RICE: Thank you.

MODERATOR: You got us off to a great start. Thank you.

SECRETARY RICE: Thank you very much.

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